

# California Medical Association



## NOTICES AND REPORTS

### The Budgeting Process

THE BUDGETING PROCESS of the California Medical Association is complex and requires program planning as far in advance as 20 months.

The CMA fiscal year begins 1 July and ends 30 June. The House of Delegates, when it meets in March or April, approves the budget for the fiscal year that begins three months later, and the staff and Finance Committee begin work on the budget at least five months before that. This means up to 20 months can elapse between the time when the budget is begun and final expenditures are made. Often, during this time, unforeseen situations require immediate, unbudgeted action by the House of Delegates or the Council. However, during the past several years, total CMA operating expenses have been very close to the amounts budgeted.

In October, each staff coordinator works with committee chairmen to anticipate the activities of each committee during the next fiscal year. The cost of each project, including meeting and travel expenses, printing, postage, office services and advisory services, is estimated.

In November, the CMA Controller compiles the first draft of a budget based on these committee reports. In addition to committee expenses, he takes into consideration "fixed expenses"—office equipment and supplies, rent, insurance premiums, staff salaries, taxes and maintenance.

This first draft of the budget is presented to the Finance Committee in late November or early December. The committee reviews the budget, item by item, and decides what items will require Council policy decisions. These policy questions are presented and resolved at the December or January meeting of the Council, and a second draft of the budget is developed. The Finance Committee reviews the second draft and presents it to the Council for further consideration at the February meeting.

Between the February meeting of the Council and the meeting of the House of Delegates, the Finance Committee and members of the House of Delegates Reference Committee on Finance (No. 2) meet together to review the budget. Copies of the proposed budget are mailed to members of the

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House of Delegates at least 30 days before the House meets.

During the Annual Session, Reference Committee No. 2 studies the proposed budget again, and holds open hearings. After the hearings, the Reference Committee presents its recommendations to the House of Delegates, which then votes on the budget and the committee's recommendations.

Thus, the amount of money needed to carry out the programs and accomplish the goals of the CMA is determined, and from this, the level of dues is established by the House of Delegates.

The Finance Committee and the CMA Controller are responsible for cost control and analysis.

Expenditures are reviewed throughout the year by members of the staff and the Finance Committee.

At the conclusion of each fiscal year, an independent firm of Certified Public Accountants audits the CMA financial records. Copies of the auditor's certified statements are given to councilors and members of Reference Committee No. 2, and the statements are published in the pre-convention issue of CALIFORNIA MEDICINE.

